

**Division of Community and Business Development
Department of Community and Economic Development
State of Alaska**

***Fisheries Economic Development
Matching Grant Program
Grant Application Guide***

May 14, 2003

A. General Information

Governor Frank Murkowski recently announced the Alaska Fisheries Revitalization Strategy. The Revitalization Strategy combines federal Fisheries Disaster funds authorized under Title V – Fisheries Disaster, Section 501(b) of the 2003 Federal Appropriations Bill and Southeast Sustainable Salmon Fund monies, authorized under the Pacific Salmon Treaty Fund, made available by the work of Alaska Senator Ted Stevens.

The Revitalization Strategy is a multi-level, multi-year plan designed to spur increased productivity and innovation in the Alaska fishing industry by investing considerable resources into critical commercial fisheries infrastructure and capital improvement projects.

A key component within the Revitalization Strategy is the Fisheries Economic Development Grant Program (Program), to be administered by the Alaska Department of Community and Economic Development (DCED). This Program is intended to assist communities in the fishing regions identified as (defined by Alaska Department of Fish and Game, Division of Commercial Fisheries) Southeast, Central, A-Y-K, and Westward that have been impacted by the downturn in the fishing industry.

Assistance will be provided in the form of one-time funding (grants) for new, expansion of, or improvements to fisheries-related infrastructure projects, economic development projects, or business that have the potential to: (1) increase Alaska seafood/product quality, (2) increase Alaska seafood/product diversity and/or value in the consumer or food service market(s), (3) increase profitability for the harvesting and/or processing sector of the industry, (4) increase efficiencies and productivity in the industry, (5) lower costs within the industry, or (6) increase economic activity within the community and/or region.

There is approximately \$13 million available for grants under this Program. DCED is now requesting proposals from applicants interested in receiving one-time financial assistance (grant) under this newly established Program. Those interested in submitting an application under this Program are to follow the instructions provided in this Grant Application Guide and must submit their completed application prior to 4:30 p.m. June 2, 2003.

B. ELIGIBLE APPLICANT

DCED Expectation: Eligibility (eligible applicant) is limited to:

- Government units such as municipalities, tribal councils, or other recognized governing bodies of communities that have been impacted by the downturn in the fishing industry.
- Non-profit entity such as community and/or regional non-profit organizations representing communities and/or regions that have been impacted by the downturn in the fishing industry.
- For-profit small business such as fishermen, fish processors, or service businesses directly related to the fishing industry such as a gear manufacturer.. It is anticipated that applicant's are located in or close proximity to communities impacted by the downturn in the fishing industry. The applicant must meet the U.S. Small Business Administration's definition of a

small business as defined by the SBA's Office of Size Standards found at <http://www.sba.gov/size/>.

- Applicant's primarily located in the fishing regions identified as (defined by Alaska Department of Fish and Game, Division of Commercial Fisheries) Southeast, Central, A-Y-K, or Westward.

Applicant's Proposal: An applicant's proposal (grant application):

- Must identify the applicant's organization and provide documentation as to whether the applicant is a governmental unit (may be self-evident), a non-profit entity, or a for-profit small business as defined by the U.S. Small Business Administration.
- Must discuss the applicant's organization such as duration of existence, an organizational diagram, and lines of communication.
- Must provide applicant's physical and mailing addresses, phone and fax numbers. May provide email addresses.
- Must discuss the applicant's experience with similar previous projects, the success of those projects, and current and/or on-going projects.
- Must identify the key personnel, previous experience of each, and ability to successfully complete this project. Individual resumes may be included as part of the applicant's proposal.

Evaluation of Applicant's Proposal: This section of an applicant's proposal (grant application) will be evaluated based on DCED's expectation and the applicant's proposal as discussed above and may receive up to a maximum of 20 points by each member of the Evaluation Committee during the evaluation process.

C. ELIGIBLE COMMUNITIES

DCED Expectation: Projects are limited to those that will benefit communities that have been impacted by the downturn in the fishing industry. Accordingly, it is anticipated that the majority of the communities will be located in the fishing regions identified as (defined by Alaska Department of Fish and Game, Division of Commercial Fisheries) Southeast, Central, A-Y-K, or Westward.

Applicant's Proposal: An applicant's proposal (grant application):

- Each applicant must identify the communities and/or fishing region(s) that will benefit from the project.
- Each applicant must describe the extent of the impact of the downturn in the communities and/or region by discussing recent economic indicators such as downturn in ex-vessel price, wholesale price paid to processors (if available), decline in permits fished, return to harvesters and processors, and declining economic activity for seafood related businesses.



- If the applicant is a local government, the applicant must provide the governing body's proposed resolution of support. An approved resolution must be received by DCED by June 12, 2003.
- If the applicant is a non-profit entity, the applicant must provide a proposed resolution of support from the local government(s), cooperative agreement, or memorandum of agreement between the applicant and the various local governments. Approved documents must be received by DCED by June 12, 2003.
- If the applicant is a for-profit small business, the applicant must document how it has been impacted by the downturn in the fishing industry. Documentation of the community's support is not required but would be beneficial.

Evaluation of Applicant's Proposal This section of an applicant's proposal (grant application) will be evaluated based on DCED's expectation and the applicant's proposal as discussed above and may receive up to a maximum of 20 points by each member of the Evaluation Committee during the evaluation process.

D. ELIGIBLE PROJECTS DESCRIPTION

DCED's Expectation: This Program is intended to assist communities in the fishing regions identified as (defined by Alaska Department of Fish and Game, Division of Commercial Fisheries) of Southeast, Central, A-Y-K, and Westward that have been impacted by the downturn in the fishing industry.

Assistance will be provided in the form of one-time funding (grants) for new, expansion of, or improvements to fisheries-related infrastructure projects, economic development projects, or business that have the potential to: (1) increase Alaska seafood/product quality, (2) increase Alaska seafood/product diversity and/or value in the consumer or food service market(s), (3) increase profitability for the harvesting and/or processing sector of the industry, (4) increase efficiencies and productivity in the industry, (5) lower costs within the industry, or (6) increase economic activity within the community and/or region. Examples of potential projects have been grouped by the following categories:

- **Freezing and Chilling:** Projects would improve the quality of Alaska seafood by chilling or freezing. Projects may include the installation and/or expansion of slush ice bags, ice machines, or chilling gear; purchase and/or improvement to floating ice machine barges; additional equipment that improves access to freezing and chilling equipment.
- **Cold Storage Facilities:** Projects would improve the quality of Alaska seafood by building new and/or improve existing cold storage facilities.
- **Transportation and Distribution Network:** Projects would improve the quality of Alaska seafood by easing handling, increasing speed, and increasing efficiencies at key transportation nodes. Projects may include the installation and/or expansion of runway cooling systems, handling equipment, quality control equipment, freight consolidation facilities, and the chain of custody tracking systems and devices.

- **Processing Facilities and Equipment:** Projects would increase the quality, diversity, and value of seafood products. Projects may include the construction or improvement of seafood processing operations, processing equipment, fish by-product equipment, utility improvements to processing areas, and waste outfall lines.
- **Shellfish Mariculture:** Projects would improve the efficiency and productivity of shellfish farming. Projects may include nursery grow sites, transportation improvements, technological improvements, holding and processing capacity improvements.
- **New Fisheries Development:** Projects that seek to develop new fisheries in Alaska and may include test fishing, gear testing, and market research.
- **Marine Related Infrastructure:** Projects would increase seafood quality and efficiencies by improving existing or building new harbors, docks and other related marine infrastructure.
- **Airport Development:** Projects that would increase efficiencies, improve seafood quality and increase producers' access to valuable markets by improving existing or building new airport facilities and related infrastructure.
- **Other:** By no means should possible projects be limited to the above examples or categories. An application should be submitted for fisheries-related infrastructure projects or economic development projects or business expansions.
- **Ineligible Projects:** Feasibility studies are not eligible. Operational and maintenance costs of existing projects are not eligible. Operational and maintenance costs of proposed projects, incurred after completion of the initial start-up, are also not eligible.

Applicant's Proposal: An applicant's proposal must provide a detailed and all-inclusive discussion of the project and should include but is not limited to:

- Detailed and concise discussion of every aspect of the project. This includes detailed milestones, completion date of each milestone, specific activities for completion of each milestone, and completion of entire project.
- Discussion of how the project meets "DCED's Expectations" items (1) through (6) and the specific category expectations (i.e. Freezing and Chilling, Transportation and Distribution, etc.).
- Detailed system design; engineering designs; technical specifications; and maps if applicable.
- Detailed information on locations, construction, expansions, modifications to new and/or existing structures, facilities, equipment, etc..
- Detailed information on initial construction and installation and continuing maintenance.
- Detailed discussion on environmental and industry impacts, special requirements, permits, certifications, and/or other pertinent necessary approvals.
- Detailed discussion of the project's feasibility. Include all potential obstacles in the current business environment that may hinder or halt the success of the project; ideas or areas of change that would improve the viability of the project; and any other unique characteristics and assumptions that may affect the project.

Evaluation of Applicant's Proposal: This section of an applicant's proposal (grant application) will be evaluated based on DCED's expectation and the applicant's proposal as discussed above and may receive up to a maximum of 20 points by each member of the Evaluation Committee during the evaluation process.

E. ELIGIBLE PROJECTS DURATION AND AMOUNT (BUDGET)

DCED's Expectation: Projects may range in duration from a few months to three years.

If the applicant is a governmental unit or a non-profit entity, DCED may provide up to 75 percent of the project's entire cost. Applicant's must provide at least 25 percent of the funding (match) and are encouraged to provide more. If the applicant is a for-profit small business, DCED may provide up to 50 percent of the project's entire cost. Applicant's must provide at least 50 percent of the funding (match) and are encouraged to provide more.

This is a cost reimbursable grant program. The applicant will be required to expend funds and then seek reimbursement from DCED. If an applicant requires an initial advance, the applicant must declare it.

Applicant's Proposal: An applicant's proposal must provide a detailed and comprehensive budget that clearly identifies all expenses and funding of the project, with independent estimates as available. Discussion should include, but by no means be limited to the following items:

- Identify and project in detail any and all direct expenses. Examples include, but are limited to, facility modifications, construction costs, equipment purchases, materials, supplies, freight, transportation, payroll and benefits, and etc.
- Identify and project in detail any and all indirect expenses and/or indirect rate. An indirect rate shall not exceed 19 percent of actual direct payroll expenses, and it must be clearly identified.
- Identify and project in detail all funding sources. Examples include, but are not limited to DCED, applicant's available cash, applicant's in-kind match, applicant's proposed loan, revenue generating idea, revenue from another entity, and etc. Also identify the percentage of funding provided by DCED, applicant, and other sources.
- If the applicant's contribution e.g. match includes an "in-kind" contribution such as the use of existing equipment, the monetary-value of the "in-kind" contribution must be based on industry-standards and documented in the applicant's proposal.
- Identify the amount and/or percentage of the amount anticipated as an initial advance from DCED; frequency of providing and example of summary financial reports on the entire project; frequency of providing and example of detailed information on expenses and revenue on the entire project.

Evaluation of Applicant's Proposal: This section of an applicant's proposal (grant application) will be evaluated based on DCED's expectation and the applicant's proposal as

discussed above and may receive up to a maximum of 20 points by each member of the Evaluation Committee during the evaluation process

F. ELIGIBLE PROJECTS LONG-TERM VALUE

DCED's Expectation: Though this Program is intended to provide one-time funding (grants) for new and/or expansion of fisheries-related projects and businesses, the long-term sustainability and value of the projects is also pertinent.

Applicant's Proposal: An applicant's proposal must describe the long-term sustainability and expected return the project will generate. Information must be consistent with information presented elsewhere in the applicant's proposal. Discussion should include but is not limited to:

- Discussion on how the project will facilitate any of the following in the long-term: (1) increase Alaska seafood/product quality, (2) increase Alaska seafood/product diversity and/or value in the consumer or food service market(s), (3) increase profitability for the harvesting and/or processing sector of the industry, (4) increase efficiencies and productivity in the industry, (5) lower costs within the industry, or (6) increase economic activity within the community and/or region. Examples of potential projects have been grouped by the following categories
- Discussion on how the project will become self-sustaining and the mechanisms, contractual or other, that assure increased productivity and capability of adapting to changes in the marketplace.
- Discussion on the continuing costs of the project; including operation and maintenance, equipment upgrades and replacement, facility replacement and upgrades, and other improvements. Equipment depreciation and replacement schedules must be based on current industry rates and standards.
- Discussion on the continuing revenue sources and mechanisms to assure adequate revenue. Applications are encouraged to include detailed, supported pro forma projections.

Evaluation of Applicant's Proposal: This section of an applicant's proposal (grant application) will be evaluated based on DCED's expectation and the applicant's proposal as discussed above and may receive up to a maximum of 20 points by each member of the Evaluation Committee during the evaluation process

G. COMPLIANCE TO FEDERAL AND STATE REQUIREMENTS

DCED's Expectation: As of the release of this Application Guide, this Program is still evolving. Therefore, DCED retains the right to change this Program as need to comply with pending policy decisions.

Additionally, since this Program is being funded with federal money from the U.S. Department of Commerce, National Oceanographic and Atmospheric Administration to the State of Alaska, must understand that in addition to state requirements, the following federal requirements may apply to DCED and its sub-recipient grantees (applicant's):

- Section 3016.22 incorporates the Cost Principles dictated by OMB Circular A-87 or similar document..
- Section 3016.37 requires DCED to give notice of all federal requirements to its sub-recipients.
- Applicants in the arrears with the federal government for any money owed may not be eligible for grants under this Program.
- State of Alaska's Single Audit Requirement established under Alaska Administrative Code 2 AAC 45.010.

H. EVALUATION OF APPLICATIONS AND AWARD OF GRANTS

At this time DCED anticipates a multi-phase approach in the election of successful applicants similar to the following:

- Prior to evaluating the grant applications, DCED will perform an initial review to identify grant applications that do not meet the minimum requirements and/or have not provided the minimum information and/or have other problems. DCED at its sole discretion may contact the applicant for additional information or DCED may declare the application as non-responsive and reject it in its entirety. If rejected, the grant application will be eliminated from the evaluation process and the applicant will be notified accordingly.
- The remaining grant applications will be forwarded to an evaluation committee. Each member of the evaluation committee will independently evaluate each grant application based on the criteria, evaluation factors, and numerical values identified in this Application Guide and summarized below:

Eligible Applicants	20
Eligible Communities	20
Eligible Projects -- Description	20
Eligible Projects -- Duration and Amount (Budget)	20
<u>Eligible Projects -- Long-term Value</u>	<u>20</u>
Maximum Possible Points	100

- The Evaluation Committee, at its sole discretion may decide if discussion with applicants, presentations by applicants, and/or site inspection are necessary. If held, members of the Evaluation Committee may change their individual scores based on the additional information.
- The individual Evaluation Committee members will have the opportunity to meet as a Committee to discuss the grant applications before and/or after their individual review and

scoring. Members of the Evaluation Committee may change their individual scores based on these discussions.

- When the individual Evaluation Committee members have completed their scoring, the total points for each grant application will be determined. Applications may be grouped by the fishing regions (as defined by Alaska Department of Fish and Game, Division of Commercial Fisheries) of Southeast, Central, A-Y-K, and Westward; and ranked numerically within each region.
- Applications and ranking information will be forwarded to Cabinet level members of the Alaska Fisheries Revitalization Strategy Committee. Members will select the successful applicants taking into consideration the: (1) federal limitations, such as a certain percentage of the Program must fund salmon specific projects in the Southeast region; (2) economic condition of the various fishing regions, an option may be to award fairly equal amounts to all fishing regions but by no means is limited to that; and (3) numerical ranking determined by the Evaluation Committee.
- Unsuccessful applicants have up to 10 working days from the date of receiving notice, to provide a written appeal to DCED. DCED, at its sole discretion, may consider the appeal and will notify the applicant accordingly.
- Successful applicants will be afforded the opportunity to enter into a Grant Agreement with DCED. There will be little to negotiate in the Grant Agreements since the Grant Agreements will basically incorporate the applicant's application.

I. Grant Application Submission and Tentative Schedule

<u>Approximate Dates</u>	<u>Activity</u>
05/14/03	Grant Application Guide Available
06/02/03	Grant Applications (Proposals) Received
06/12/03	Grant Applications Review and Evaluation Completed
06/13/03	Grant Applicants Notified
06/30/03	Drafting Grant Agreements

Those interested in submitting an application under this Program as discussed in this Application Guide must do so prior to 4:30 p.m. June 2, 2003.

The body of the application is to presented in the same format as this Application Guide i.e. Eligible Applicant, Eligible Community, Eligible Project Description, etc. and is to consist of no more than eight (8) pages. Attachments to the body, such as resumes, detailed designs, estimates from others, resolutions, etc are in addition to the eight-page limit and are to be clearly identified.

Five hard copies of the entire application (body and attachments) are to be delivered to DCED at the below address by 4:30 p.m. June 2, 2003.

Glenn Haight
Alaska Department of Community and Economic Development
Division of Community and Business Development
P.O. Box 110804
Juneau, AK 99811-0804

Delivery-service (FedEx, UPS) application packages should be addressed to:

Glenn Haight
Alaska Department of Community and Economic Development
Division of Community and Business Development
333 Willoughby Avenue, 9th Floor
Juneau, AK 99811

Failure to meet the deadline will result in disqualification of the application and it will not be reviewed. Faxed, emailed, and/or or electronic versions of a grant application is not acceptable.

Questions. Contact Glenn Haight at the Department of Community & Economic Development in Juneau, (907) 465-5464 or glenn_haight@dc.ed.state.ak.us.